

A Professional Limited Liability Company 307 North Michigan Avenue, Suite 1020 Chicago, Illinois 60601 Telephone: 312-372-3930 Facsimile: 312-372-3939 RECEIVED & INSPECTED

JUN 1 1 2007

FCC - MAILROOM

June 8, 2007

Marlene Dortch
Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

via FederalExpress

Re:

CS Docket No. 97-80, CSR-7114-Z;

In the Matter of The World Company ("Sunflower Broadband"); Request for Deferral of Enforcement of 47 C.F.R. § 76.1204(a)(1)

Dear Ms. Dortch:

On November 20, 2006, Sunflower Broadband filed a Request for Waiver of 47 C.F.R. § 76.1204(a)(1), which has been assigned to CSR-7114-Z in CS Docket No. 97-80. Because the Commission has not yet issued an order on Sunflower Broadband's Request for Waiver, the company must request a deferral of enforcement of the deadline in 47 C.F.R. § 76.1204(a)(1).

We enclose an original and four copies of the Request for Deferral. We also enclose a copy of this letter and a copy of the first page of the Request for Deferral. Please date-stamp each page and return in to the enclosed postage-paid FedEx envelope so that we may have it for our records. Please contact me if you have any questions regarding this matter.

Sinderely,

Megan M. Petrulis

cc (via email): Michelle Carey John Norton Brendan Murray Andrew Long Patrick Knorr

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June 8, 2007



Monica Desai, Bureau Chief Media Bureau Federal Communications Commission 445 12th Street, SW Washington, DC 20554

via Hand Delivery

Re: CSR-7114-Z, CS Docket No. 97-80

> The World Company, d/b/a Sunflower Broadband ("Sunflower Broadband"): Request for Deferral of Enforcement of July 1, 2007 deadline in 47 C.F.R. §

76.1204(a)(1)

Dear Ms. Desai:

Sunflower Broadband's November 20, 2006 Request for Waiver of 47 C.F.R. § 76.1204(a)(1) and Request for Clarification ("Petition") is pending in the above-referenced docket. Sunflower Broadband requests that if the Commission does not grant its Petition, the Commission defer enforcement of the July 1, 2007 deadline in 47 C.F.R. § 76.1204(a)(1) ("Integration Ban") until Sunflower Broadband can obtain low-cost set-top boxes compliant with the Integration Ban.

We organize this request as follows:

- Background
- Request for Deferral
- Commitments
- Conclusion

Background. Sunflower Broadband is a small cable operator serving approximately 30,000 subscribers in smaller and rural markets in and around Lawrence, Kansas. On November 20, 2006, Sunflower Broadband filed its *Petition*.¹

On February 15, 2007, in response to the Commission's BendBroadband MO&O,2 Sunflower Broadband supplemented its *Petition* with a commitment to transition all its services to digital by December 31, 2008 if its *Petition* is granted ("Supplement").3

¹ The *Petition* was put on public notice on February 12, 2007.

² In the Matter of Bend Cable Communications, LLC d/b/a BendBroadband, Request for Waiver of Section 76.1204(a)(1) of the Commission's Rules, Memorandum Opinion and Order, CSR-7057-Z, CS 97-80, DA 07-47 (rel. January 10, 2007).

To meet the commitments made in its *Supplement*, Sunflower Broadband ordered over \$1 million dollars of Motorola DCT-700 set-top boxes in February 2007. An order of this size is a significant investment for a cable operator with only 30,000 subscribers. For this reason, Sunflower Broadband requested in its *Supplement* that the Commission issue an order on its *Petition* before the DCT-700 purchase order became irrevocable on March 31, 2007. For a company the size of Sunflower Broadband, \$1 million in stranded investment would cause substantial financial hardship.

The Commission has not yet issued an order on Sunflower Broadband's *Petition*, and the DCT-700 purchase order is now irrevocable.

Moreover, if the Commission does not grant Sunflower Broadband's *Petition*, the company will be required to expend significant additional capital to purchase replacement set-top boxes with separable security. In such event, Sunflower Broadband intends to deploy the lowest-cost digital set-top box models available on the market. But even if Sunflower Broadband were to place an order for the boxes <u>today</u>, these vendors have informed Sunflower Broadband that they will not deliver the boxes for another 3 to 6 months.⁴

Further, until the Commission issues an order on Sunflower Broadband's *Petition*, the company cannot financially justify an order for these separable-security set-top boxes. This is because vendors of these low-cost boxes require either an irrevocable purchase order or 30-days' notice of cancellation of an order. If the Commission grants Sunflower Broadband's *Petition*, Sunflower Broadband will have no near-term use for these boxes, but the vendors' limitations on cancellation could force Sunflower Broadband to expend significant capital to purchase the boxes anyway.⁵

Request for Deferral. Sunflower Broadband requests deferral of enforcement of the Integration Ban as provided for in the Commission's *GCI MO&O*, ⁶ so that Sunflower Broadband may deploy Motorola DCT-700 set-top boxes until (i) its *Petition* is granted; or (ii) its *Petition* is denied and Sunflower Broadband receives set-top boxes compliant with the Integration Ban.

Commitments. If Sunflower Broadband's *Petition* (and any Petition for Reconsideration or Application for Review) is denied, Sunflower Broadband will:

- Order only enough Motorola DCT-700 boxes to meet its needs until compliant boxes can be obtained:
- Immediately file with the Commission a signed affidavit that:

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³ As described in its *Supplement*, Sunflower Broadband will also offer a limited analog tier consisting primarily of broadcast stations. *Supplement* at 3-4.

See Affidavit of Patrick Knorr, attached as Exhibit 1 at ¶ 5.

⁵ *Id.* at at ¶ 4.

⁶ In the Matter of GCI Cable, Inc., Request for Waiver of Section 76.1204(a)(1) of the Commission's Rules, Memorandum Opinion and Order, CSR-7130-Z, CS Docket No. 97-80 (rel. May 4, 2007).

- States how many Motorola DCT-700 boxes Sunflower Broadband has ordered and provides information to support those numbers;
- States that Sunflower Broadband will has placed an order for a sufficient number of compliant boxes that will satisfy Sunflower Broadband's equipment needs;
- Specifies the number of compliant boxes ordered;
- Provides information to support its statement that the number of compliant boxes ordered will be sufficient;
- States that the manufacturer has informed it that the order for compliant boxes will not be filled by July 1, 2007;
- States the date by which the manufacturer estimates it will fill the order for compliant boxes;
- Attaches all relevant documentation, including order forms and correspondence with its manufacturers.⁷

Conclusion. For the reasons above, Sunflower Broadband requests that the Commission grant the requested deferral. To prohibit the deployment of the Motorola DCT-700 set-top boxes in Sunflower Broadband's inventory would cause Sunflower Broadband severe financial hardship and result in economic waste with no offsetting public interest benefit.

Sincerely,

Nicole Paolini-Subramanya

cc (via email): Michelle Carey John Norton Brendan Murray Andrew Long Patrick Knorr

⁷ See Affidavit of Patrick Knorr at ¶ 6.

EXHIBIT 1

AFFIDAVIT OF PATRICK KNORR

- I, Patrick Knorr, make this affidavit based upon personal knowledge and a review of records, and can testify if necessary as to the truth of the matters asserted:
- I have been General Manager of Sunflower Broadband, a division of The World Company ("Sunflower Broadband") since January 2000.
- On November 20, 2006, Sunflower Broadband filed with the Commission a Request for Waiver 47 C.F.R. § 76.1204(a)(1) and Request for Clarification, which has been assigned to CS Docket No. 97-80, CSR-7114-Z ("Petition").
- 3. If its Petition is not granted, Sunflower Broadband will need to order and deploy digital set-top boxes with separable security. Sunflower Broadband intends to deploy the lowest-cost digital set-top box models with separable security available on the market.
- 4. Until the Commission issues an order on Sunflower Broadband's Petition, the company cannot financially justify an order for these set-top boxes with separable security. This is because vendors of these low-cost boxes require that Sunflower Broadband submit either an irrevocable purchase order, or provide 30-days' notice of cancellation of an order. If Sunflower Broadband's Petition is granted, there will be no near-term need for these set-top boxes with separable security, but the vendors' limitations on cancellation may force Sunflower Broadband to expend significant capital to purchase the boxes anyway.

- 5. Even if Sunflower Broadband were to place an order for the boxes today, these vendors have informed Sunflower Broadband that they will not deliver the boxes for another 3 to 6 months.
- Accordingly, if Sunflower Broadband's Petition is denied, Sunflower Broadband will:
 - Order only enough Motorola DCT-700 boxes to meet its needs until compliant boxes can be obtained;
 - Immediately file with the Commission a signed affidavit that:
 - States how many Motorola DCT-700 boxes Sunflower Broadband has ordered and provides information to support those numbers;
 - States that Sunflower Broadband will has placed an order for a sufficient number of compliant boxes that will satisfy Sunflower Broadband's equipment needs;
 - Specifies the number of compliant boxes ordered;
 - Provides information to support its statement that the number of compliant boxes ordered will be sufficient;
 - States that the manufacturer has informed it that the order for compliant boxes will not be filled by July 1, 2007;
 - > States the date by which the manufacturer estimates it will fill the order for compliant boxes;
 - Attaches all relevant documentation, including order forms and correspondence with its manufacturers.

Patrick Knorr, General Manager Sunflower Broadband, a division of The World Company

> JUDY E. ELDRIDGE Notary Public-State of Kansas

Subscribed and sworn to before me this 31 day of May, 2007.

Notary Public